

Your Retirement Benefit Projection



The information in this brochure is not intended to replace the Alaska Statutes or the Alaska Administrative Code. Language contained in the Alaska Statutes and the Alaska Administrative Code govern the plans.

Level Income Option

This option is available *only* to those who entered PERS before July 1, 1996.

Under this option, you receive a larger PERS benefit before age 65 and a smaller benefit after age 65 with the idea that other annuity payments may begin at age 65.

This option does **NOT** provide a continuing, lifetime monthly benefit to your spouse after you die. Instead, your beneficiary would receive the balance, if any, remaining in your employee contribution account. If the benefits that you received before your death exceeded the amount in your account, your beneficiary would only receive your last month's retirement check.

If you are counting on Social Security benefits for part of your retirement income, be sure to contact the nearest Social Security office for more details. You should also request benefit projections from any other benefit plans that you participate in (including the Supplemental Annuity Plan). By obtaining advance information, you will be in a better position to plan your retirement income.

The Social Security Administration reduces the Social Security benefit if benefits are also paid by another government pension plan and if that employment was not covered under Social Security (effective January 1, 1986). The reduction applies to those individuals who become eligible (have reached the age of 62) for Social Security after December 31, 1995. Individuals with at least 30 years of substantial earnings from Social Security covered service are not affected.

For more information about your Social Security benefits, contact the local office, call 1-800-772-1213 or visit the Social Security web site at: www.ssa.gov

Indebtedness

If you have an indebtedness, you may make payment arrangements **before you retire**. Please contact the Division for more information about indebtedness payment options.

If, at retirement, you have an indebtedness that has not been paid to the PERS, your monthly retirement benefit will be actuarially reduced over your lifetime.

What Tier am I?

Members who first entered a PERS position and were making contributions:

- Before 7/1/86—**Tier I**.
- On or after 7/1/1986, but before 7/1/1996—**Tier II**.
- On or after July 1, 1996, but before 7/1/2006—**Tier III**.

This brochure only applies to Tiers I, II, and III. If you entered a PERS position on or after 7/1/2006, refer to a PERS Tier IV Defined Contribution Retirement Plan brochure.

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The estimates on your retirement benefit projection are based on information provided by either your employer(s) or yourself. Please review the information carefully. Contact your employer regarding any discrepancies between this information and your records. Remember this is an estimate. The benefits payable to you at retirement will be based on your actual salary and credited service.

Regular Retirement

Normal

This option will provide you with a monthly benefit during your lifetime. However, it will NOT provide a continuing, lifetime monthly benefit to your spouse after you die, unless you select one of the joint and survivor (J&S) options. Your normal benefit amount will be reduced if you select a J&S option.

Early

This option will provide you with a “reduced” monthly benefit during your lifetime. However, it will NOT provide a continuing, lifetime monthly benefit to your spouse after you die, unless you select one of the joint and survivor options. Your early benefit amount will be further reduced if you also select a J&S option.

The younger you are when you retire early, the more your monthly benefit is reduced. You would, however, begin receiving benefits earlier than normal and would receive them for a longer period of time. It is also possible to retire at any age with no benefit reduction under the “20 years and out” or “30 years and out” provisions.

Joint and Survivor Options

Joint and Survivor (J & S) options are available with either normal or early retirement. If a J & S option is **not** selected for normal or early retirement, your beneficiary would only receive the remaining balance of the employee contributions you made to your retirement account. The member’s contributions are used first to fund lifetime benefits. If the benefits that you received before your death exceeded the amount in your account, your beneficiary would only receive your last month’s retirement check.

If you are married, you are required to select a joint and survivor option, unless your spouse consents to another form of benefit. You may be required to select a J & S option under the terms of a qualified domestic relations order (QDRO) if you have been divorced.

You may choose one of the J & S options described in this brochure. Under these options, your spouse (or other disabled dependent child if approved by the administrator) will receive a continuing, lifetime monthly benefit after your death. Your survivor may

qualify for medical coverage under the same rules that apply to you, based on the date you first entered PERS. If you do **not** select a J & S option, system-paid medical coverage for qualifying survivors ends at your death.

The joint and survivor actuarial factors are subject to change based on the experience of the system and anticipated future trends. You are entitled to the very best set of factors in existence during your PERS employment. **If you need specific information, contact the Division of Retirement and Benefits.**

◆ **75% Joint and Survivor Option**
Your benefit is actuarially reduced from what it would be normally. After your death, your spouse would receive a lifetime monthly benefit equal to 75% of your reduced benefit. If your spouse dies first, your benefit does not change.

◆ **50% Joint and Survivor Option**
Your benefit is actuarially reduced from what it would be normally. After your death, your spouse would receive a lifetime monthly benefit equal to 50% of your reduced benefit. If your spouse dies first, your benefit does not change.

If you compare this option to the 75% option, you can see that the 50% option pays a larger benefit to the member and a smaller benefit to the spouse.

Last Survivor Option

This option is available *only* to members who first entered the PERS before July 1, 1996. Your benefit is actuarially reduced from what it would normally be. **However, if your spouse dies first, your benefit would be reduced by an additional 33-1/3%.** If you die first, your spouse would receive

that reduced benefit (66-2/3% of your benefit) for the rest of his or her life.

Examples of Survivor Options

In the examples below, a “normal” \$1,000 benefit is reduced to show the joint and survivor benefits under all three options for a 60-year-old member and a 55-year-old spouse. The actual reduction to your benefit will be based on your age and your spouse’s when you retire.

75% Joint and Survivor
Using the actuarial age factor from the Joint and Survivor Factors Table, the benefit is reduced from \$1,000 to \$878.37. When the member dies, the spouse receives a lifetime monthly benefit equal to 75% of \$878.37 or \$658.78.
 $\$1,000 \times .87837 = \878.37 (member’s benefit)
 $\$878.37 \times .75 = \658.78 (spouse’s benefit)

50% Joint and Survivor
The benefit is reduced from \$1,000 to \$915.48. When the member dies, the spouse will receive 50% of that benefit, or \$457.74 per month for life.
 $\$1,000 \times .91548 = \915.48 (member’s benefit)
 $\$915.48 \times .50 = \457.74 (spouse’s benefit)

66-2/3% Last Survivor
This benefit is reduced from \$1,000 to \$918.60. When either the member or the spouse dies, the survivor receives 66-2/3% of that benefit, or \$612.40 a month for life.
 $\$1,000 \times .91860 = \918.60 (benefit while both of you are alive)
 $\$918.60 \times .66667 = \612.40 (benefit after the death of the member or spouse)

